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Approved For Release 2003/02/27 : CIA-RDP79-00927A000100220001-8

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COPY NO. 319

OCI NO. 0576

30 October 1953

CURRENT INTELLIGENCE WEEKLY



DOCUMENT NO. **23**
NO CHANGE IN CLASS. ☐
☐ DECLASSIFIED
CLASS. CHANGED TO: TS **S**
NEXT REVIEW DATE: **7-23-79**
AUTH: **HR 702**
DATE: **7-23-79** REVIEWER:

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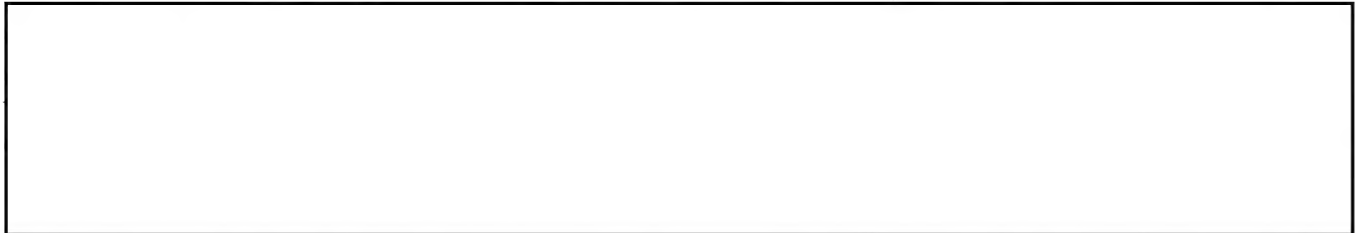
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SPECIAL ARTICLE. SOVIET SCIENTIFIC AND TECHNICAL
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The USSR is training a body of scientists and technicians which is increasing in size and quality and is approaching comparability with that of the United States. If present trends continue, the total capabilities of Soviet scientific and technical manpower may exceed those of the United States in the near future.

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THE SOVIET WORLD

In the first Soviet reaction to the recent Western foreign ministers' communique, Pravda on 25 October ignored the specific points on the German and Austrian treaties and Trieste. Except for the Korean political conference, recent Soviet propaganda has been notably reticent on issues subject to negotiations, has ridiculed the idea of a European security system, and has de-emphasized its theme of "peace through negotiation." Thus, the recent attacks on Churchill's Margate speech contrast with the favorable comment following his 11 May address and suggest a Soviet desire to discourage an invitation for top-level talks.

The slogans for the November anniversary of the Bolshevik revolution are for the most part similar to those issued for the last May Day celebration. In line with internal policy, both agriculture and consumer goods received increased emphasis. The omission of a slogan on the inviolability of the people's rights, which appeared last May Day, is perhaps significant. This theme was first mentioned by Beria in his speech at Stalin's funeral and its general disappearance from Soviet propaganda since his fall suggests the Kremlin may not undertake its promised revision of the criminal code.

The unusually intensive propaganda coverage of the Third Congress of the World Federation of Trade Unions, concluded in Vienna on 21 October, emphasizes the important current role of the Communist trade unions. A plan for low-level "action unity" tactics with non-Communist labor, coupled with an economic program of a noncontroversial nature, was presented to the congress as the best way of becoming "politically popular and nationally unassailable." The gathering echoed the 19th Moscow Party Congress directive to take a patriotic position, but ordered that local labor struggles be given an international twist at the appropriate time.

Apprehension over the isolated position of Communist labor was evident in the unprecedented efforts to attract non-Communist delegates and in the urgent appeals for unity. On the other hand, WFTU leadership optimistically anticipated an economic crisis in the West, and hopefully envisaged a "wave of strikes" in capitalist countries following the French and Italian pattern.

While the large delegations from colonial and under-developed countries reflected the growing importance of trade union activity in these areas, the top WFTU executive posts remained under the firm control of Western Europeans. In the closing resolutions of the congress, the European problem of EDC and a resurgent Germany received the greatest attention.

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PROBABLE IMPACT OF THE CONSUMER GOODS
PROGRAM ON THE SOVIET ECONOMY

The new Soviet program to benefit the consumer and the farmer will temporarily aggravate the problem of suppressed inflation in the Soviet economy and, if fully implemented, will necessitate selective reductions in the production of some types of defense and heavy industrial equipment through 1955. According to present indications, however, the maximum effort to expand the output of consumer goods will be limited to the next two years with a reduction in emphasis on consumer goods in 1956.

In the past, although proclaiming their interest in the welfare of the consumer, Soviet leaders had neither sacrificed the rapid growth of heavy industry nor amended Five-Year Plans in order to improve the living standards. The present regime, however, has already taken steps requiring modifications in the plan for 1953. In his 8 August speech to the Supreme Soviet, Malenkov announced a supplement of 32 billion rubles to the original plan for consumer goods turnover, and on 17 October Mikoyan announced a further five billion ruble increase. These figures would require an expansion of turnover by about 20 percent above the estimated 1952 level as compared to the 11 percent annual expansion called for in the current Five-Year Plan.

Although the supply of consumer goods may be increased through imports and withdrawals from reserves, most of the additional goods must be produced within the Soviet Union.

Production can be expanded by creating new capacity for light industry, by diverting existing heavy industrial capacity to the production of consumer goods, or by utilizing more effectively the existing capacity of light industry. None of these courses of action can be expected to yield results this year in the form of large quantities of finished products, but the first two will require resources previously earmarked for defense and heavy industry.

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The government has increased significantly the amount of disposable income in the hands of the consumer. Measures already taken will result in an increase over the preceding year of 75 to 80 billion rubles of consumer buying power in the last three quarters of 1953 and the first quarter of 1954. These have included reductions in the state loan and in taxes on the population, raising the disposable income of consumers by approximately 21 billion rubles, increased payments to farmers of approximately seven billion rubles, and price reductions calculated to save the consumer a total of 46 billion rubles. Roughly four billion rubles in additional incomes will also be generated from the growth of the labor force during this period.

The originally scheduled increase in the output of consumer goods will probably increase the supply of goods by 35 to 40 billion rubles. Therefore, in order to satisfy fully the increase in consumer demand of 75 to 80 billion rubles, the increase of 37 billion rubles in consumer goods turnover above the level of the plan must be completely fulfilled. Mikoyan has already stated, however, that the original 1953 plan is behind schedule. Thus, the economy's problem of suppressed inflation will be aggravated. Anticipating increased consumer goods production in 1954 and 1955, however, the government will probably choose to tolerate this limited rise in inflationary pressure.

If the agriculture program is also accelerated in 1954 and 1955, as officially stated, the impact on defense and heavy industry will be even more pronounced. Khrushchev has promised that the government in 1954 will spend 35 billion rubles more than the amount provided in the Five-Year Plan for agriculture, compared to above-plan expenditures of 15 billion rubles this year. According to his figures, the allowance for mechanization in the above-plan expenditures on agriculture will be more than seven times greater in 1954 than in 1953. To meet the 1953 targets, the machine building, chemical, electric power, transport, and construction industries have all been directed to step up sharply their support for agriculture. Resources from 12 ministries in all have been earmarked on an emergency basis for the agricultural program.

As indicated in the decree of 23 October concerning the expansion of retail sales, light industry's demands on Soviet industrial resources will also be intensified. The Council of Ministers has instructed eight heavy industrial ministries, including the defense and aircraft industries, to establish independent departments for the production of consumer items.

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The new goals for the turnover of consumer goods require that the Five-Year Plan be surpassed in 1954 and that the pace of expansion be sustained through 1955 and cut back in 1956.

In implementing the new consumer goods program, Soviet planners have outlined a four-fold task for the economy of the USSR: expansion of investment in agriculture, expansion of investment in light industry, a reallocation of heavy industrial capacity to support both agriculture and light industry, and a considerable expansion of the distribution and merchandizing systems.

Not only are the resources required for the fulfillment of these tasks in excess of those normally made available from the growth of the national income, but these new demands are being placed on the national economy at a time when its growth is likely to proceed at a slower rate. The Soviet planners have already expressed concern over falling productivity in the first half of 1953. Moreover, the government has announced its intention to check the usual migration of labor from agriculture to industry which in the past has accounted for a large portion of the growth of industrial output.

Although the normal growth of the economy could provide resources for one of the newly assigned tasks, the accomplishment of all four simultaneously will require selective reduction in the output of heavy industrial and defense equipment.

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IRANIAN PRIME MINISTER FACES INCREASING OPPOSITION

After two months in office, Prime Minister Zahedi is meeting more active and better-organized opposition, but there is still no evidence of a concerted drive to overthrow him. The failure of the government to implement its announced program contributes to the popular discontent.

The Tudeh, although crippled by Zahedi's drive against it, is attempting to rally those groups which want to return former prime minister Mossadeq to power. Sabotage in the air force and the navy are credited to the party, [REDACTED]

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[REDACTED] The Tudeh asserts that other pro-Mossadeq groups are ready to join it in a united front, and limited cooperation probably takes place for specific operations.

The 8 October strike which closed the bazaar for the day was probably a joint operation of the Tudeh and the non-Communist Bazaar Committee. The latter, composed of prominent pro-Mossadeq merchants, is continuing its agitation which reportedly is to include strikes, distribution of hand bills, bribery, and even assassination of Zahedi supporters.

Other groups participate from time to time in joint activities in support of Mossadeq. The National Restoration Movement, composed of former Majlis deputies who supported him, is allegedly interested solely in saving the former prime minister's life. The small right-wing Pan-Iran Party has also come out in support of Mossadeq and apparently can supply street gangs for strong-arm tactics.

Most of these groups have in common only the desire to see Mossadeq restored to power. Cooperation between them has so far been temporary and opportunistic.

Zahedi's main opposition from non-Mossadeq sources appears to come from the politically ambitious Dr. Mozaffar Baghai, Majlis deputy and leader of the inactive Workers Party. Iranian army chief of staff Batmangelitch and his two deputy chiefs are Baghai supporters and are allegedly involved in intrigues aimed at discrediting the Tehran military governor, the police chief, and the gendarmerie commandant, all of whom are loyal to Zahedi.

Batmangelitch has expressed the opinion that Iran's real hope lies in a coalition of Zahedi and Baghai. Baghai has not yet publicly opposed Zahedi, although he is reported to be seriously thinking of an open break. He has sharply criticized many of Zahedi's policies and warned that any oil settlement with the

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British must adhere strictly to the 1951 nine-point nationalization law. Zahedi believes himself competent to control any threat from this quarter.

The prime minister, aware of his opposition, is hampered by the lack of an effective political organization. The Tehran military governor, leading an attempt to organize pro-Zahedi forces, has reportedly received the support of a large group of second-rank bazaar leaders who are organized as the Bazaar Club.

Zahedi also is handicapped by the support which the shah gives Batmangelitch. The monarch, assuming control of army appointments and promotions, has resisted attempts by Zahedi to get rid of the chief of staff. Future attempts along this line will probably also be opposed by the shah and will further strain relations between the two men, though a complete break is unlikely.

Zahedi's political position is weakened by delay in carrying out his announced program. The frequent postponement of Mossadeq's trial has brought criticism from many quarters and Zahedi has charged angrily that Batmangelitch is deliberately delaying the trial to discredit the government.

Iran's serious currency shortage and its slowness in planning the effective utilization of the \$45,000,000 emergency aid from the United States has made it impossible to implement the job-creating construction programs which the prime minister had promised. Similarly, Zahedi's lack of progress in settling the oil problem has produced increasing criticism. He is also handicapped by a lack of knowledge of the oil problem and by a realization that any negotiations with the British will lay him open to attack by ultranationalists.

The absence of a legal Majlis further obstructs the government. Zahedi has delayed dissolving the rump Majlis, apparently because the action will be opposed by the deputies still in office, although they do not constitute a quorum.

Although there is as yet no one sufficiently strong to try to replace Zahedi, his weakness makes it progressively more difficult to accomplish any of the reforms which are necessary if he is to stay in power and is an invitation to aspirants for his post. The collapse of his government would probably bring into power a regime which, if not pro-Communist, would be likely to try to follow a policy of anti-Western neutrality.

RECENT AGREEMENTS ENHANCE SPANISH GOVERNMENT'S POSITION

The recent conclusion of defense agreements with the United States, coming shortly after the signing of a concordat with the Vatican, has helped to advance Spain's position abroad and has strengthened the Franco regime at home. Franco's proclamation of the agreements with the United States as "the greatest triumph of our contemporary foreign policy" leaves no doubt of the high importance which he attaches to them.

In so far as the pact will modernize and improve the Spanish armed forces, it will help strengthen still further Franco's hold on the country. The economic aid, which is scheduled to reach \$465 million, in addition to military construction projects presently estimated at \$400 million, is expected to have a similar political effect. Signature of the agreements dealt a demoralizing blow to the opposition, which had constantly maintained that the regime's authoritarian nature was preventing Spain from being accepted internationally and from obtaining military and economic aid.

Internationally, Spain's prestige has been enhanced by the favorable reception of the agreements, particularly in Portugal and Latin America. Franco is exploiting them widely for propaganda purposes, carefully pointing out, however, that they in no way compromise Spain's integrity, sovereignty, and national independence.

In the Western European democracies there are still political objections to the American-Spanish agreements, particularly in left-wing circles. Franco now seems little concerned, however, by Western European opposition, evidently preferring his bilateral arrangements with the United States and Portugal, for the time being, to NATO membership.

Second only to the pacts with the United States in strengthening Franco's position is the concordat with the Vatican which formally came into effect on 27 October. This essentially formalizes and regularizes previous agreements and confirms de facto church-state relations and the concessions gained by the church under the present regime.

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Liberal Catholic elements had contended that past Vatican reluctance to negotiate a concordat reflected the Holy See's displeasure at the excesses of the regime, while anti-Franco monarchists had maintained that the Vatican regarded the Franco government as a provisional one and would sign no concordat until the monarchy was restored. Internationally, as well, the concordat will serve to raise the government's prestige, particularly among Latin American and other strongly Catholic nations.

Strengthened by these two international achievements, Franco is now exerting pressure for concessions from France. He reportedly has postponed recognition of the new sultan of Morocco in order to obtain territorial compensation in the form of an enlargement of the Spanish Moroccan protectorate.

At the same time he is increasing his efforts to solidify relations with the Arab world and to realize the long-coveted aim to establish Spain as the link between the Arab and the Latin American world. In mid-October, for example, Spanish foreign minister Artajo entertained the assistant secretary general of the Arab League in Madrid for a week, during which the latter urged Spain to issue a strong note condemning Israel's recent actions and to join with the Latin American nations in economic sanctions which might be undertaken.

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PROSPECTS FOR A PURGE OF THE CHINESE
COMMUNIST LEADERSHIP

There are fragmentary indications that the current purge of the Chinese Communist Party may be extending into its high command. Several central committee members may be out of favor with Chairman Mao Tse-tung and may be removed from power. Mao's past practice suggests that he is more likely to remove such persons quietly than he is to stage a public spectacle.

In mid-1951 the Chinese Communist Party publicly launched a "reorganization," scheduled to end in 1954, which has led to the expulsion of about ten percent of the members thus far examined. The stature of several members of the party's central committee below the politburo level also appeared to decline, particularly in 1953. This has been suggested by official denunciation of their onetime policies, their loss of important positions, their repeated absences from functions they would normally be expected to attend, and a prolonged lack of references to them in the official press.

Among the various plausible reasons for a decline of these persons are past or current opposition to Mao Tse-tung's policies, personality clashes, incompetence and illness. There is no good evidence to support speculation that they have fallen from favor as a result of either excessive Soviet support of or opposition to them.

Although Mao was ruthless in eliminating opposition during his rise to power, he has shown no taste in recent years for the violent public purges which have characterized other Communist parties. Since 1935 when by official account his "leading position" was established, he has expelled only one top-ranking party leader. He has chosen instead to deal with opposition elements and other leaders in his disfavor by reducing them in stature within the party structure.

The Chinese Communist Party's central committee is elected by the party's national congress, which is supposed to meet every three years but in fact has not met since 1945. The completion next summer of the "reorganization" among the party rank and file may seem to Mao a good occasion for convening it. Although he might take public action against central committee members before that time, a new election would provide Mao with the means of formalizing their quiet removal from positions of power.

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SPECIAL ARTICLE**SOVIET SCIENTIFIC AND TECHNICAL MANPOWER**

The USSR is training a body of scientists and technicians which is increasing in size and quality and approaching comparability with that of the United States. If present trends continue, the total capabilities of Soviet scientific and technical manpower may exceed those of the United States in the near future.

The Soviet leaders have consistently regarded science and technology as the key to the attainment of their national economic and military goals and have developed nationwide programs for scientific and cultural education which have mobilized large human and material resources.

The vitality of the Soviet program of higher education is apparent in the growth in the number of institutions and students. Since the revolution, these have grown from 91 higher educational institutions with 112,000 students in 1918 to about 900 institutions with some 1,100,000 full-time and 400,000 extension-course students at present. During this same period, the United States doubled the number of its institutions to 1,800, and increased the students fivefold to about 2,300,000.

The proportion of Soviet graduates in scientific fields over the past 20 years has varied between 70 percent of total graduates each year and the current figure of about 44 percent, while the proportion for the United States has remained close to 30 percent. (See chart #1, p. 17)

Quantitative measures of Soviet scientific and technical manpower are provided by comparing the numbers in the USSR and the United States in the following two groups:

- a. Graduates of higher educational institutions (colleges and universities) in scientific and technical fields. This includes persons with "first professional" degrees such as the M.D. and the D.D.S.
- b. Persons holding advanced degrees in scientific and technical fields: the Soviet Kandidat and the American Ph. D. (including the Sc.D.). In terms of formal requirements the Kandidat is the near equivalent of the Ph. D.

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Both of these groups have been broken down into three major subject categories -- physical sciences, agricultural sciences, and health sciences. (Chart #2 shows the fields which these categories include.)*

The comparisons in charts #3 and #4 indicate that, in general size and composition, Soviet scientific and technical manpower is basically similar to that of the United States. The USSR has comparable numbers of graduates of higher educational institutions and holders of advanced degrees in each of the three major subject categories.

In chart #5 a comparison of the number of persons graduating annually in scientific and technical fields in the USSR and the United States is made. The number of Soviet graduates fell off in 1933 due to a lengthening of the courses of study, and the rapid rise around 1935 was the consequence of expanded enrollments from 1930-32. Both the Soviet and US curves show wartime losses and rapid postwar increases, which reached a peak in the United States in 1950 because of the "GI Bill." Since that time, the trend has favored the Soviet Union, and present Soviet plans call for continuing increases in the number of graduates.

The quality of Soviet scientific and technical manpower has been quite uneven. The first decade and a half of the Soviet period saw a general decline in the quality of scientific education until by the early thirties, after the rapid expansion of the First Five-Year Plan, standards of research and education had fallen to low levels. Beginning in 1933, however, Soviet leaders slowed the rate of increase in numbers of students entering scientific fields and enforced higher standards of work.

Present indications are that improving educational standards and increasing experience have raised the quality of Soviet scientific and technical personnel in most major fields to approach that of the United States. Recent Soviet efforts in the theory and application of science demonstrate a high degree of competence. Current graduates in science from higher educational institutions have completed about 15 years of intensive study with a generally far greater and more consistent emphasis on scientific subjects in secondary schools than is found in the United States. In general, only more-gifted and industrious students have survived the stiff competition to enter higher schools, although nepotism and political activity can be important considerations.

* Unless otherwise apparent, the comparisons are for mid-1953. The estimates for the Soviet Union are believed accurate to within 10 percent.

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TRAINING OF SOVIET SCIENTIFIC PERSONNEL

THOSE GRADUATING IN 1953 IN SCIENTIFIC FIELDS
AS PERCENTAGES OF TOTAL

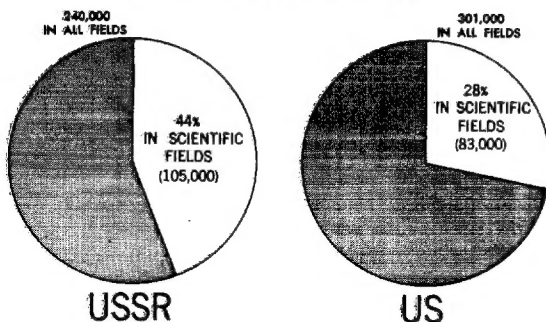


CHART 1

DEFINITIONS OF SUBJECT CATEGORIES

1. PHYSICAL SCIENCES INCLUDE:
PHYSICS
CHEMISTRY
MATHEMATICS
ENGINEERING
GEOLOGY
OTHER FIELDS BASED ON PHYSICS, CHEMISTRY OR THE EARTH SCIENCES
2. AGRICULTURAL SCIENCES INCLUDE:
AGRICULTURE (AGRONOMY, ANIMAL HUSBANDRY, FORESTRY, ENTOMOLOGY, ETC.)
BIOLOGICAL SCIENCES OTHER THAN THOSE INCLUDED UNDER "HEALTH SCIENCES"
3. HEALTH SCIENCES INCLUDE:
MEDICINE AND MEDICAL SCIENCES
DENTISTRY AND DENTAL SCIENCES
OTHER FIELDS SUPPORTING HEALTH AND SANITATION (EXCLUDING NURSING UNLESS BASED ON 4-YEAR CURRICULA)
BIOLOGICAL SCIENCES OTHER THAN THOSE INCLUDED UNDER "AGRICULTURAL SCIENCES"

CHART 2

NUMBERS OF GRADUATES EMPLOYED IN THE MAJOR
SCIENTIFIC FIELDS

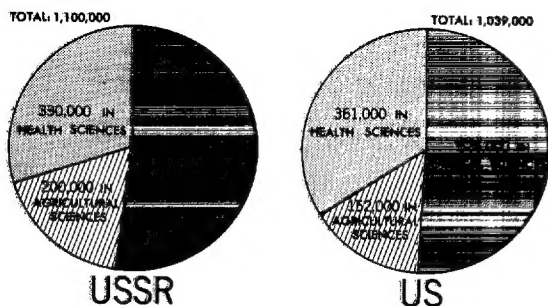


CHART 3

NUMBERS OF PERSONS HOLDING ADVANCED DEGREES
IN SCIENTIFIC FIELDS

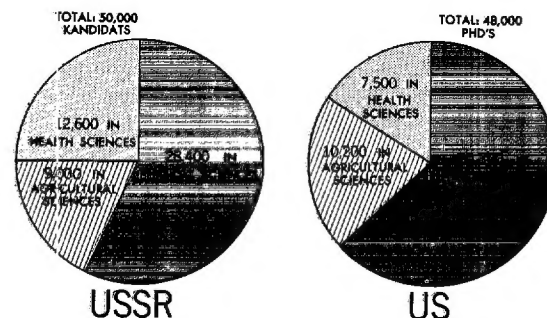
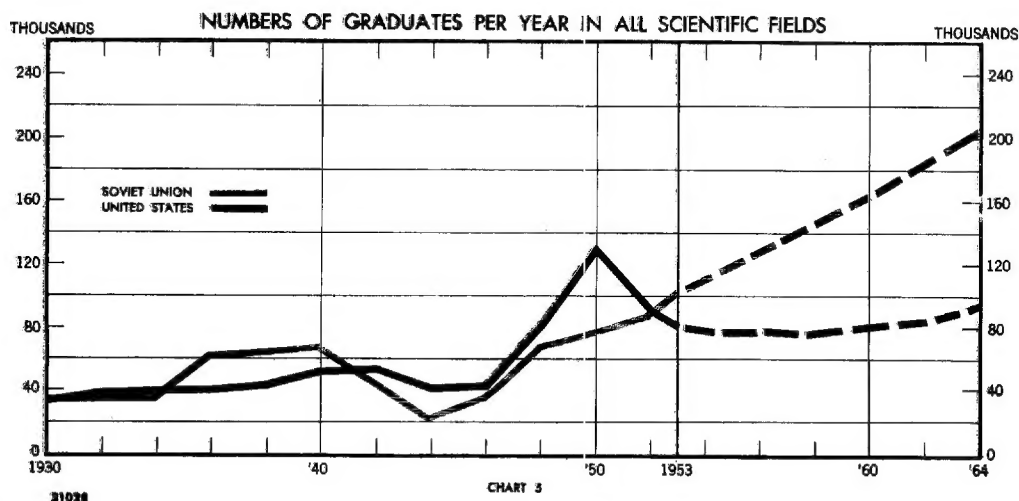


CHART 4



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